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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 891

[Docket No. FR-5167-C-03]

RIN 2502-AI67

Streamlining Requirements Governing the Use of Funding for Supportive Housing for the Elderly and Persons with Disabilities Programs; Correction

AGENCY: Office of the Assistant Secretary of Housing—Federal Housing Commissioner, HUD.

ACTION: Correcting amendment.

SUMMARY: On June 20, 2013, HUD published a final rule that amended regulations for the purpose of streamlining the requirements applicable to mixed finance developments in the Section 202 Supportive Housing for the Elderly (Section 202) and the Section 811 Supportive Housing for Persons with Disabilities (Section 811) programs and amending certain regulations governing all Section 202 and Section 811 developments. This publication corrects an error in the final rule regarding the duration of the fund reservations for capital advances.

DATES: Effective: [insert date of publication in the Federal Register], and applicable beginning July 22, 2013.

FOR FURTHER INFORMATION CONTACT: Aretha Williams, Office of Housing Assistance and Grant Administration, Office of Housing, Department of Housing and Urban Development, 451 7th Street SW., Room 6136, Washington, DC 20410–8000; telephone number 202–708–3000 (this is not a toll-free number). Persons with hearing or

speech impairments may access this number via TTY by calling the toll-free Federal Relay Service at 1–800–877–8339.

SUPPLEMENTARY INFORMATION:

I. Background

On June 20, 2013 (78 FR 37106), HUD published a final rule amending regulations governing the Section 202 and Section 811 programs to streamline requirements for mixed finance developments and to amend other regulations for these programs. One amendment the rule made was to extend the duration of availability of fund reservations for capital advances from 18 months to 24 months, with the option of extending this period to 36 months, as approved by HUD on a case-by-case basis. This final rule followed a March 28, 2012 (77 FR 18723) proposed rule. The final rule became effective on July 22, 2013.

II. Technical Corrections

After publication of the final rule, it came to HUD’s attention that there was an error in the regulatory text. The final rule amended 24 CFR 891.165(a) so that “the duration of the fund reservation for a capital advance with construction advances is 24 months *from the date of initial closing...*” (Emphasis added). However, the language in 24 CFR 891.165(a) should read that the duration of the fund reservation is 24 months *from the date of issuance of the award letter to the date of initial closing*.

The preamble to the proposed rule (77 FR 18723) noted that the regulations then governing the duration of the availability of capital advance funds limited the duration of the fund reservations for the capital advances to 18 months from the date of issuance of the fund reservation award (77 FR at 18726). The preamble went on to note that the

purpose of extending this duration was to enable owners to focus on projects to ensure that they reach initial closing and start construction within 24 months (77 FR at 18726). This makes it clear that the intent of the rule is to extend the duration of the fund reservation for a capital advance from the date of issuance of the award letter so that owners could reach initial closing, and not to extend the time after the date of initial closing. This rule makes a technical correction to the final rule to fulfill that intent.

List of Subjects in 24 CFR Part 891

Aged, Grant programs—housing and community development, Individuals with disabilities, Loan programs— housing and community development, Rent subsidies, Reporting and recordkeeping requirements.

Accordingly, HUD amends 24 CFR part 891 as follows:

PART 891—SUPPORTIVE HOUSING FOR THE ELDERLY AND PERSONS WITH DISABILITIES

1. The authority citation for part 891 continues to read as follows:

Authority: 12 U.S.C. 1701q; 42 U.S.C. 1437f, 3535(d), and 8013.

§ 891.165 [Amended]

2. Amend § 891.165 as follows:

In paragraph (a), revise the phrase “24 months from the date of initial closing” to read “24 months from the date of issuance of the award letter to the date of initial closing”.

Dated: August 9, 2013

Carol J. Galante
Assistant Secretary for Housing—
Federal Housing Commissioner

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